

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

-----In the Matter of-----)  
PUBLIC UTILITIES COMMISSION )  
Instituting a Proceeding to Review )  
Hawaiian Electric Company, Inc., )  
Hawaii Electric Light Company, Inc.)  
and Maui Electric Company, Ltd.'s )  
Demand-Side Management Reports and )  
Requests for Program Modifications )  
\_\_\_\_\_)

DOCKET NO. 2007-0341

ORDER NO. 23861

Filed November 30, 2007  
At 2 o'clock P.M.

*for* [Signature]  
Chief Clerk of the Commission

DIV. OF CONSUMER ADVOCACY  
DEPT. OF COMMERCE AND  
CONSUMER AFFAIRS  
STATE OF HAWAII

2007 DEC -3 A 9:42

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Commission, State of Hawaii.

*for* [Signature]

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Docket No. 2007-0341

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ORDER

By this Order, the commission adopts procedures to review HAWAIIAN ELECTRIC COMPANY, INC.'s ("HECO"),<sup>1</sup> HAWAII ELECTRIC LIGHT COMPANY, INC.'s ("HELCO"),<sup>2</sup> and MAUI ELECTRIC COMPANY, LTD.'s ("MECO")<sup>3</sup> (collectively, the

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<sup>1</sup>HECO is a Hawaii corporation and a public utility as defined by Hawaii Revised Statutes ("HRS") § 269-1. HECO was initially organized under the laws of the Kingdom of Hawaii on or about October 13, 1891. HECO is engaged in the production, purchase, transmission, distribution, and sale of electricity on the island of Oahu in the State of Hawaii.

<sup>2</sup>HELCO is a Hawaii corporation and a public utility as defined by HRS § 269-1. HELCO was initially organized under the laws of the Republic of Hawaii on or about December 5, 1894. HELCO is engaged in the production, purchase, transmission, distribution, and sale of electricity on the island of Hawaii in the State of Hawaii.

<sup>3</sup>MECO is a Hawaii corporation and a public utility as defined by HRS § 269-1. MECO was initially organized under the laws of the Territory of Hawaii on or about April 28, 1921. MECO is engaged in the production, purchase, transmission, distribution, and sale of electricity on the island of Maui; the production, transmission, distribution, and sale of electricity on the island of Molokai, and the production, transmission, distribution, and sale of electricity on the island of Lanai.

"HECO Companies") demand-side management ("DSM")<sup>4</sup> reports and requests for program modifications.

I.

Background

By Order No. 23717, filed on October 12, 2007 ("Order No. 23717"), the commission opened this docket to approve the HECO Companies' periodic DSM reports, including their respective DSM Annual Program Accomplishments and Surcharge ("A&S") Report<sup>5</sup> and Monitoring and Evaluation ("M&E") Report,<sup>6</sup> and their requests for DSM program modifications.

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<sup>4</sup>For the purposes of this Order, the term "Energy Efficiency" will refer to the savings of energy usage; the term "Load Management" will refer to direct control or management of the load; and the term "DSM" will refer to Energy Efficiency and Load Management collectively.

<sup>5</sup>The HECO Companies' A&S Reports are filed in or about March following the end of each program year. The A&S Reports serve three purposes. First, the A&S Reports document the accomplishments of the programs during the previous calendar year. These accomplishments include an accounting of the energy and demand savings impacts, equipment installations and expenditures based on full, calendar-year data. Second, the A&S Reports reconcile the revenues collected from the cost recovery surcharge adjustment and actual program costs incurred. Third, the A&S Reports establish and document program cost-effectiveness based on recorded costs and measure adoptions.

<sup>6</sup>The HECO Companies' M&E Reports are filed in or about November of each program year. The M&E Reports serve three purposes. First, the M&E Reports forecast the budgets and impact (i.e., energy and demand savings) goals for the upcoming calendar year. Second, the M&E Reports describe the modifications in program processes that the HECO Companies propose to introduce in the upcoming calendar year. Third, the M&E Reports provide results of both the program Impact Evaluation Reports and the program process evaluations, as they become available.

In Order No. 23717, the commission proposed processes to review the HECO Companies' DSM reports and requests for program modifications:

To expedite the establishment of procedures related to the HECO Companies' DSM reports and requests for DSM program modifications, the commission sets forth the following proposals for addressing those in this docket.

With respect to the HECO Companies' DSM reports, the commission will require the HECO Companies to file all DSM evaluation reports in this docket. In keeping with the Consumer Advocate's recommendation that the commission "initiate formal reviews of DSM evaluation reports" and "provid[e] stakeholders and interested parties the opportunity to comment,"<sup>7</sup> the commission proposes to allow any interested persons or entities (including the Consumer Advocate and any intervenors or participants) to file comments on the HECO Companies' periodic DSM reports within forty-five (45) days after the filing of the report. The commission will review the comments and may issue information requests, further proceedings or an order, if required.

With respect to the HECO Companies' requests for DSM program modifications, the commission will require that all of the HECO Companies' DSM program modification requests be filed in this docket.<sup>8</sup> As indicated in Order No. 23448, the commission is cognizant that timely decisions on the HECO Companies' requests for program modifications would assist the HECO Companies in planning and implementing their DSM programs, and that the HECO Companies may have concerns regarding an "anticipated time lag" in this newly established docket.<sup>9</sup> In order to ensure the timely review of the HECO Companies' DSM program modification requests, the commission will require

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<sup>7</sup>Consumer Advocate's Opening Brief, filed on October 25, 2006, in Docket No. 05-0069, at 70.

<sup>8</sup>The commission also proposed to address any currently pending DSM program modification requests within the dockets in which they were originally filed.

<sup>9</sup>Order No. 23448, at 19.

any interested persons or entities (including the Consumer Advocate and any intervenors or participants) to file any comments or objections within thirty (30) days after the HECO Companies' requests are filed. The requests will be deemed approved forty-five (45) days after filing of the requests unless the commission orders otherwise.

Order No. 23717, at 6-7.

Under the terms of Order No. 23717, "[a]ny interested persons or entities (including the Consumer Advocate and any intervenors or participants) may file comments on either of the two commission proposals set forth above within thirty days of the filing of" the Order.<sup>10</sup> No persons or entities moved to intervene in this proceeding and no comments were received on either of the two proposals.

## II.

### Discussion

#### A.

##### Review and Approval Processes

Given the lack of any comments or objections to the commission's proposals, the commission will adopt both proposals. The HECO Companies shall file all DSM evaluation reports in this docket. Any interested persons or entities (including the Consumer Advocate) may file comments on the HECO Companies' reports within forty-five (45) days after the filing of the report. The commission will review the comments and may issue information requests, further proceedings, or an order, if required.

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<sup>10</sup>Order No. 23717, at 7.

With respect to the HECO Companies' requests for DSM program modifications, the commission will require that all of the requests be filed in this docket.<sup>11</sup> In order to ensure the timely review of the HECO Companies' DSM program modification requests, the commission will require any interested persons or entities (including the Consumer Advocate) to file any comments or objections within thirty (30) days after the HECO Companies' requests are filed. The requests will be deemed approved forty-five (45) days after the filing of the requests unless the commission orders otherwise.

B.

CICR Program Modification Request

On October 19, 2007, HECO filed a request to increase the budget for its Commercial and Industrial Customized Rebate ("CICR") Program.<sup>12</sup> As the request was filed in this docket, it will be treated in accordance with the process for reviewing DSM program modification requests described above. However, since the request was filed on October 19, 2007, before the new procedure was formally adopted, the commission will require in this instance that any interested persons or entities file any comments or objections to HECO's October 19, 2007 CICR Program modification request within thirty (30) days of the date of this Order. The request will be deemed approved forty-five (45) days

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<sup>11</sup>The commission also proposes to address any currently pending DSM program modification requests within the dockets in which they were originally filed.

<sup>12</sup>The request is to increase the CICR Program's 2007 budget by \$671,228; from \$1,738,292 to \$2,409,520.

after the filing of this Order unless the commission orders otherwise.

### III.

#### Orders

##### THE COMMISSION ORDERS:

1. The following procedures are adopted:
  - a. All DSM evaluation reports shall be filed in this docket. Within forty-five (45) days after the filing of the report, any interested persons or entities may file any comments on the report. The commission will review the comments and may issue information requests, further proceedings, an order, or take other measures, if required.
  - b. All DSM program modification requests shall be filed in this docket. Within thirty (30) days after the filing of a request for DSM program modification, any interested persons or entities may file any comments or objections. Forty-five (45) days after the filing of the request, the request will be deemed approved unless the commission orders otherwise.
2. HECO's October 19, 2007 request to increase the CICR Program budget will be addressed in this docket as outlined in Section II.B of this Order.

DONE at Honolulu, Hawaii NOV 30 2007.

PUBLIC UTILITIES COMMISSION  
OF THE STATE OF HAWAII

By Carlito P. Caliboso  
Carlito P. Caliboso, Chairman

By John E. Cole  
John E. Cole, Commissioner

By Leslie H. Kondo  
Leslie H. Kondo, Commissioner

APPROVED AS TO FORM:

Jodi K. Yi  
Jodi K. Yi  
Commission Counsel

2007-0341.eh



CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing Order No. 23861 upon the following entities, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such entity.

CATHERINE P. AWAKUNI  
EXECUTIVE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
DIVISION OF CONSUMER ADVOCACY  
P. O. Box 541  
Honolulu, HI 96809

WILLIAM A. BONNET, P.E.  
VICE PRESIDENT  
GOVERNMENT AND COMMUNITY AFFAIRS  
HAWAIIAN ELECTRIC COMPANY, INC.  
P.O. Box 2750  
Honolulu, HI 96840-0001

DEAN MATSUURA  
DIRECTOR, REGULATORY AFFAIRS  
HAWAIIAN ELECTRIC COMPANY, INC.  
P.O. Box 2750  
Honolulu, HI 96840-0001

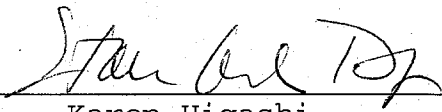
EDWARD REINHARDT  
PRESIDENT  
MAUI ELECTRIC COMPANY, LTD.  
P.O. Box 398  
Kahului, HI 96733-6898

WARREN LEE  
PRESIDENT  
HAWAII ELECTRIC LIGHT COMPANY, LTD.  
P.O. Box 1027  
Hilo, HI 96721-1027

Certificate of Service  
Page 2

THOMAS W. WILLIAMS, JR., ESQ.  
PETER Y. KIKUTA, ESQ.  
GOODSILL, ANDERSON, QUINN & STIFEL  
Alii Place, Suite 1800  
1099 Alakea Street  
Honolulu, HI 96813

Counsel for HECO, MECO, and HELCO

for   
Karen Higashi

DATED: **NOV 30 2007**